



PRESS RELEASE

NATIONAL HOUSEBUILDER BELLWAY p.l.c. TODAY, TUESDAY 16 OCTOBER, ANNOUNCE THEIR PRELIMINARY RESULTS FOR THE YEAR ENDED 31 JULY 2007.

HIGHLIGHTS

	Year Ended		
	31 July		
	2007	2006	
• Homes sold	7,638	7,117	+ 7.3%
• Average selling price	£173.3k	£169.0k	+ 2.5%
• Revenue	£1,354.0m	£1,240.2m	+ 9.2%
• Operating profit	£253.1m	£239.3m	+ 5.8%
• Operating margin	18.7%	19.3%	
• Profit before taxation	£234.8m	£220.7m	+ 6.4%
• Basic earnings per ordinary share	146.1p	137.5p	+ 6.3%
• Dividend per ordinary share	43.125p	34.5p	+ 25.0%
• Land bank – plots with planning permission	23,500	22,600	+ 4.0%
• Total equity	£1,035.8m	£903.5m	+ 14.6%
• Net asset value per ordinary share	903p	793p	+ 13.9%
• Return on average capital employed	22.7%	23.4%	

CHAIRMAN, HOWARD DAWE SAID “I AM PLEASED TO REPORT THAT BELLWAY HAS, YET AGAIN, PRODUCED A VERY GOOD SET OF RESULTS” AND THAT “PROFIT BEFORE TAX ROSE TO A NEW RECORD OF £234.8 MILLION”.

FURTHERMORE “THE DIRECTORS ARE RECOMMENDING AN INCREASE IN THE FINAL DIVIDEND OF 32%”.

HE ADDED “BELLWAY’S POLICY OF FORWARD SELLING CONTINUED TO PROVE FRUITFUL” AND THAT “AT 30 SEPTEMBER, THE FORWARD ORDER BOOK OF £667 MILLION COMPARES FAVOURABLY WITH THE POSITION LAST YEAR”.

HE CONCLUDED “THE COMING WEEKS WILL GIVE A BETTER INDICATION OF THE OVERALL NATIONAL SENTIMENT TOWARDS THE HOUSING MARKET BUT THE BOARD.... REMAINS CONFIDENT ABOUT THE FUTURE PROSPECTS FOR THE GROUP”.

FOR FURTHER INFORMATION, PLEASE CONTACT :
JOHN WATSON, CHIEF EXECUTIVE
OR ALISTAIR LEITCH, FINANCE DIRECTOR.

TUESDAY 16 OCTOBER – FRIDAY 19 OCTOBER

J WATSON: 07855 337007

A LEITCH: 07855 337001

THEREAFTER: 0191 217 0717

or

JULIAN KENYON, Group PR Manager on 0191 217 0717

Notes to Editors:

Bellway plc is one of the country’s top four housebuilding companies. With its headquarters in the North East of England, the Group’s operations stretch the length and breadth of the country. Bellway provides a wide range of house types covering one, two and three bedroom apartments; terraced housing; three storey houses; semi-detached houses; and three, four and five bedroom detached properties. The Group is active in major regeneration schemes across the country and is a leading provider of affordable homes. Over 80% of its homes are constructed on brown-field land.

Photographs:

High resolution photographs are available to the media free of charge at:
www.newscast.co.uk

Tel: (+44) 020 8886 5895

CHAIRMAN'S STATEMENT

I am pleased to report that Bellway has, yet again, produced a very good set of results for the year ended 31 July. The Group continues to deliver organic growth in volumes and earnings despite the challenging market conditions experienced by the housing industry over the last twelve months.

Results

The number of new homes sold increased by 7.3% to 7,638 from 7,117 and their average price rose by 2.5% from £169,000 to £173,300. Total turnover for the Group was a new high at £1,354 million, an increase of £114 million from last year's level. As expected, the operating margin declined, moving from 19.3% to 18.7%, however, profit before tax rose to a new record of £234.8 million, an increase of 6.4%. Earnings per ordinary share have risen by 6.3% to 146.1 pence from 137.5 pence last year. Total equity has risen to over £1 billion for the first time at £1,036 million resulting in net assets per ordinary share now standing at 903 pence. Gearing at 31 July was a relatively modest 11%, however, during the year the average gearing was around 20%, with the finance expenses of £17.9 million covered over 14 times.

Dividend

Having raised the interim dividend by 15%, I am pleased to report that the directors are recommending an increase in the final dividend of 32% to 26.675 pence, to reflect the financial health of the Group. Accordingly the total dividend for the year will rise by 25% to 43.125 pence. We aim to continue our progressive dividend policy and further reduce cover as appropriate. The final dividend will be paid on Wednesday 16 January 2008 to ordinary shareholders on the Company's Register of Members at the close of business on Friday 7 December 2007. The ex-dividend date is Wednesday 5 December 2007.

Trading

During our financial year the housing market saw a succession of five interest rate rises as the Bank of England tried to ease inflationary pressures across the country. In Yorkshire, North West England and the Midlands, where incentives were more widely used to maintain volumes, there was a tightening in demand during the twelve months. The markets in Scotland, North East England and in and around London have not been as affected by these actions and our divisions in these areas have traded well during the period. Bellway's policy of forward selling continued to prove fruitful, offering us a degree of shelter from these market conditions and our order book at 31 July stood at £594 million representing, at that time, 45% of our planned increased output.

The Group was successful in bringing through plots from the pipeline into our land with planning permission and this primary part of our land bank increased to 23,500 plots. In

addition, land awaiting permission stands at 15,800 plots and when combined with plots with permission gives a land bank totalling 39,300 plots. Furthermore, the Group also holds, for the longer term, some 3,000 acres where planning will be sought in the coming years. This is further augmented by sites where Bellway has preferred developer status with local authorities accounting for around a further 3,500 plots.

I am pleased to confirm that, in August, outline planning permission for 10,800 plots was granted on the site held, in a joint venture with English Partnerships, at Barking Riverside where there is River Thames frontage extending to almost one and a half miles. The Group has the right to call down to develop from the joint venture 50% of this site.

People

The Board is extremely grateful to its employees, sub-contractors, suppliers and partners, without whose continuing support and contribution these results would not have been possible.

CHAIRMAN'S STATEMENT (continued)

Outlook

The market since August remained competitive and incentive led. Recent events in both global and UK financial markets would appear to have softened consumer confidence. Nevertheless, at 30 September, the forward order book of £667 million compares favourably with the position last year of £647 million. When combined with completions to date this represents 57% of planned output after just two months of this financial year.

The coming weeks will give a better indication of the overall national sentiment towards the housing market but the Board, at this time, believe that the key fundamentals remain unaltered. With modest gearing the Group is well positioned to capitalise on opportunities should they arise in the coming months. The Group remains focussed on the delivery of lower value housing and the Board is convinced that its current operational model will continue to serve it well. The Board therefore remains confident about the future prospects for the Group.

H C Dawe
Chairman

15 October 2007

CHIEF EXECUTIVE'S OPERATING REVIEW

Introduction

Throughout the year the housing market continued to adjust to the higher cost of borrowing. The figures outlined in the Chairman's Statement clearly demonstrate that the Group performed very well during the period, increasing legal completions, delivering a record profit and strong operating margins.

The Group commenced the year with a robust forward order book of £561 million – one of the strongest positions in the industry. In addition, the number of sales outlets had increased to 210 by the beginning of August 2006. The forward order book, supported by the additional outlets, helped to deliver the Group's sixteenth year of organic growth and a record pre-tax profit of £234.8 million.

Divisional Operations

The 18 housing divisions worked diligently throughout the year to deliver this forward sales position and, as a consequence, the number of legal completions rose by 7.3% to 7,638, an increase of 521 units. The average selling price increased by 2.5% to £173,300 and was achieved primarily as a result of a change in product mix.

Of the 521 increase in legal completions, 404 were obtained from our northern divisions where turnover increased by 13.6% to £660.7 million. The combined output of our two Scottish divisions has increased to 840 homes and this region continues to experience some of the most buoyant market conditions in the country. The planning system in Scotland allows a higher percentage of detached homes and this has helped to increase the overall average selling price referred to earlier. With a new 650 homes scheme coming to the market in North Tyneside, the North East division was also able to increase volume to 717 new homes. Whilst the city centre of Manchester is, in our opinion, over supplied with apartments, the Manchester division overcame this problem by moving into the suburbs and thereby increasing its output. When combined with the West Lancashire division, operating in the Liverpool area, the Group delivered a healthy 1,182 legal completions from these two North West based divisions.

Volume also increased in the southern divisions by some 117 homes resulting in a 6.7% increase in turnover to £663 million. Most notably, legal completions in the two Thames Gateway divisions have now reached 775 and with a comparatively low average selling price for this region of £183,000, demand is still strong in this government designated expansion area. Furthermore, exciting new developments are planned in this region alongside the Group's existing large, strategic land holding held in a joint venture with English Partnerships at Barking which has recently received outline planning permission. The Essex division embarked upon the final phase of its Docklands development at

Limehouse Basin in London and a major waterfront regeneration scheme being developed by our Welsh division in Cardiff Bay continues to sell well as this once derelict area has now been transformed into a vibrant suburb of Cardiff, with views overlooking the Bay.

Three new divisions have now been opened in the last four years taking the total number of divisions to 18. Thames Gateway North and the South West divisions from a cold start last year produced 291 completions. In the year under review the South Midlands division commenced operations and, whilst only 32 legal completions were achieved, the Group anticipates output increasing from this division as the North Solihull regeneration project gathers pace.

Land and Planning

The quality and strength of the Group's land bank is pivotal to the future success of the Group. The land bank is divided into three sections. Firstly, the plots held with planning permission have increased from 22,600 to 23,500 plots. Secondly, the land owned, contracted or optioned, currently awaiting planning permission, which is referred

CHIEF EXECUTIVE'S OPERATING REVIEW (continued)

Land and Planning(continued)

to as pipeline has increased from 15,000 to 15,800 plots. Thirdly, long term land, which represents around 5,500 plots, is typically made up of greenfield land held under option and brownfield regeneration opportunities generated by the Group's urban regeneration specialists, Bellway City Solutions. Together the first two categories amount to 39,300 plots, representing approximately five year's supply at current output levels.

Significant land acquisitions in the year include two schemes in Sittingbourne and Belvedere in Kent representing around 670 plots, with proposed average selling prices of around £150,000. A further site in Thamesmead in the London borough of Bexley has also been contracted, conditional on acquiring planning permission for 500 plots at an average selling price of £172,000. In addition, two further sites at Greenwich and Bromley were acquired, representing 316 plots, both of which are within a five mile radius of the Olympic site.

In the north, two large schemes in the Scottish central belt at Carntyne in Glasgow and Airdrie in Lanarkshire, representing 875 plots, were acquired, again, at relatively low average selling prices of less than £150,000. I am also pleased to report that an appeal against refusal of a planning permission was successful for 172 plots, just outside Morpeth in Northumberland.

Regeneration

Land continues to take an inordinate length of time to come through the planning system. To try and counter this, the Group has targeted large scale urban regeneration projects where it is anticipated that planning permission will be granted ahead of other opportunities. Large regeneration projects are already underway in Liverpool and Birmingham and it is hoped that similar projects in Manchester and Middlesbrough will commence shortly. The Group's City Solutions team has, during the year, been awarded preferred developer status on potential new schemes in Hull and Ilford town centre representing, in total, some 1,000 plots. The new schemes will allow the company to work in partnership with various government agencies targeting, in particular, the undersupplied first time buyer market.

As a result of government planning policies, many planning permissions are now being granted which allow the company to build rented or shared ownership homes alongside private homes. These units are constructed and passed over to housing associations to manage. During the year this type of output increased to 900 homes with an average selling price of about £95,500.

Cost Base

The Group has, during the year, spent a considerable amount of time reviewing the efficiency of the supply chain. The industry faces the challenge of reducing carbon emissions which involves the employment of different building techniques. By engaging with the Group's main suppliers we are engendering a spirit of partnership which in turn produces a more stable cost base for the company. In addition, the Group continues to employ timber frame systems, especially in relation to the housing association output referred to earlier, and this building technique now represents about one third of the Group's output. This system is highly insulated, reduces waste on site and leads to more standardisation. These measures are helping to mitigate the effect of annual labour and material cost increases.

Environment

The effect of climate change is one of the main challenges facing the housebuilding industry today. In response to this, in April 2007, the Government launched the Code for Sustainable Homes which seeks to establish a target of achieving carbon neutrality in all new homes by 2016.

CHIEF EXECUTIVE'S OPERATING REVIEW (continued)

Environment (continued)

Bellway has made significant progress during the year in reducing the Group's own impact on the environment. In

the period, 326 homes were constructed to Eco Homes "Very Good" standard or higher and developments, particularly in the south of England, have commenced utilising new renewable energy. An example of this approach can be found at a development at Redhill in Surrey, where 250 homes will have their heating and hot water supplied from a biomass boiler fired by locally sourced wood chip.

Inevitably, the demolition and remediation process of brownfield sites results in considerable quantities of waste materials. Bellway's excellent ongoing relationship with plasterboard suppliers has resulted in 3,900 tonnes of plasterboard being removed from site to be recycled. An ongoing priority is to improve the efficiency of handling these materials. At Barking Riverside, working with a sub-contractor, a recycling plant with the capacity to produce 350,000 tonnes of aggregates per annum has been constructed. The plant enables the capture and recycling of materials that would otherwise have been sent to landfill.

Arising from planning agreements, Bellway has contributed somewhere in the region of £10 million towards enhanced community amenities, including, inter alia, improved educational facilities, enhancements to parks, roads and local biodiversity schemes.

Customers

The Group continually monitors customer reaction to its product and service levels, from initial enquiry through to legal completion and after-sales support. During the year several surveys were undertaken and, of those who responded, around 75% of Bellway purchasers were satisfied with their new home. The Group is striving to improve this performance and, as part of our commitment, a Customer Service Charter is being utilised to monitor performance and to improve service levels in future.

Site managers play a pivotal role in this important area, helping to co-ordinate all elements of the building process and we are pleased to see that the NHBC have awarded Bellway with 19 “Pride in the Job” awards. In order to improve service levels further, the Group has undertaken additional training to ensure that standards of service remain high and we will continue to monitor customer responses as well as adapt procedures and strive to ensure that customer satisfaction levels are improved.

Health and Safety

Health and safety awareness is one of the most important messages that the Group instils in all its employees, whether they are site or office based. Bellway’s aim is to ensure the highest level of awareness of safety standards. The Group is therefore particularly pleased to report that the Manchester division has received an occupational health and safety award from the Royal Society for the Prevention of Accidents (RoSPA) in recognition of its commitment and high standards in this crucial area.

Although the number of lost time accidents has risen by one this year to 48, the number of major injuries has fallen from six to five and overall the Group’s health and safety performance has again improved since last year.

The Group’s aim is for Bellway to be one of the safest companies to work for in the industry. In line with achieving this goal, specific initiatives have been undertaken, including the issue of action notices to sub-contractors where unsafe working practices have been identified. Regular health and safety visits to all our sites are undertaken by the NHBC and these result in health and safety briefings and dialogue with all employees and sub-contractors. Slips, trips and falls remain the most common forms of accident and the Group, through its health and safety managers and site management, is continuing to address this area in an attempt to further improve its health and safety record.

CHIEF EXECUTIVE’S OPERATING REVIEW (continued)

Outlook

The Group welcomes the recent pronouncements by Government to significantly increase housing output in this country by 2016 and 2020. Bellway is fully committed to playing its part in hopefully achieving these targets.

With the support of the Group's expanding divisional network, combined with a steady increase in the number of sales outlets, Bellway ended the year with its highest ever forward order book of £594 million. Whilst reservations to date have declined slightly, we remain in a strong position with 57% of planned output in place at the end of September. We therefore believe the foundations are in place for the Group to continue to deliver further sustainable growth and added shareholder value into the future.

J K Watson
Chief Executive

15 October 2007

GROUP INCOME STATEMENT
For the year ended 31 July 2007

	Notes	2007 £000	2006 £000
Revenue		1,354,022	1,240,193
Cost of sales		(1,042,102)	(947,921)
Gross profit		311,920	292,272
Administrative expenses		(58,844)	(52,932)
Operating profit		253,076	239,340
Finance income	2	5,050	2,941
Finance expenses	2	(22,961)	(21,339)
Share of losses of associates		(315)	(233)
Profit before taxation		234,850	220,709
Income tax expense	3	(68,136)	(64,967)
Profit for the year (all attributable to equity holders of the parent)		166,714	155,742
Earnings per ordinary share – basic	5	146.1p	137.5p
Earnings per ordinary share – diluted	5	144.7p	136.2p

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE
For the year ended 31 July 2007

	2007 £000	2006 £000
Actuarial gains / (losses) on defined benefit pension scheme	5,268	(2,203)
Tax on items taken directly to equity	(1,475)	661
Net income / (expense) recognised directly in equity	3,793	(1,542)
Profit for the year	166,714	155,742

Total recognised income (all attributable to equity holders of the parent)

170,507 **154,200**

GROUP BALANCE SHEET

At 31 July 2007

	Notes	2007 £000	2006 £000
ASSETS			
Non-current assets			
Property, plant and equipment		12,671	13,749
Investment property		2,417	1,713
Investments in subsidiaries, associates and jointly controlled entities		-	-
Other receivables		5,201	5,736
Deferred tax assets		7,826	10,174
		<hr/>	<hr/>
		28,115	31,372
Current assets			
Inventories		1,537,874	1,433,999
Trade and other receivables		45,252	26,503
Cash and cash equivalents		25,381	2,329
		<hr/>	<hr/>
		1,608,507	1,462,831
		<hr/>	<hr/>
Total assets		1,636,622	1,494,203
		<hr/>	<hr/>
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings		77,000	159,000
Retirement benefit obligations		1,986	11,716
Land payables		47,875	23,958
		<hr/>	<hr/>
		126,861	194,674
Current liabilities			
Interest bearing loans and borrowings		60,554	17,024
Trade and other payables		380,895	349,995
Current tax liabilities		32,498	29,010
		<hr/>	<hr/>
		473,947	396,029
		<hr/>	<hr/>
Total liabilities		600,808	590,703
		<hr/>	<hr/>
Net assets		1,035,814	903,500
		<hr/>	<hr/>
EQUITY			
Issued capital	7	14,337	14,252
Share premium	7	115,484	111,903
Other reserves	7	1,492	1,492
Retained earnings	7	904,567	775,919
		<hr/>	<hr/>
Total equity attributable to equity holders of the parent		1,035,880	903,566
Minority interest	7	(66)	(66)
		<hr/>	<hr/>
Total equity		1,035,814	903,500

Approved by the Board of Directors on 15 October 2007 and signed on its behalf by

H C Dawe
Director

A M Leitch
Director

GROUP CASH FLOW STATEMENT
For the year ended 31 July 2007

	Notes	2007 £000	2006 £000
Cash flows from operating activities			
Profit for the year		166,714	155,742
Depreciation charge		3,102	3,141
Profit on sale of property, plant and equipment		(188)	(1,152)
Finance income		(5,050)	(2,941)
Finance expenses		22,961	21,339
Share-based payment charge		2,580	2,550
Income tax expense		68,136	64,967
Increase in inventories		(103,875)	(150,777)
(Increase) / decrease in trade and other receivables		(17,151)	6,895
Increase in trade and other payables		46,584	32,243
Cash from operations		183,813	132,007
Interest paid		(19,382)	(17,937)
Income tax paid		(63,867)	(65,198)
Net cash inflow from operating activities		100,564	48,872
Cash flows from investing activities			
Acquisition of property, plant and equipment		(3,090)	(4,808)
Acquisition of investment property		(704)	(1,713)
Proceeds from sale of property, plant and equipment		1,224	6,721
Interest received		3,988	2,962
Net cash inflow from investing activities		1,418	3,162
Cash flows from financing activities			
Decrease in bank borrowings		(67,000)	(97,000)
Proceeds from the issue of share capital on exercise of share options		3,666	3,115
Purchase of own shares by employee share option plans		(2,431)	(403)
Dividends paid		(41,695)	(36,882)
Net cash outflow from financing activities		(107,460)	(131,170)
Net decrease in cash and cash equivalents		(5,478)	(79,136)
Cash and cash equivalents at beginning of year		(12,695)	66,441
Cash and cash equivalents at end of year	6	(18,173)	(12,695)

NOTES

1. ACCOUNTING POLICIES

The financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and effective (or available for early adoption) at 31 July 2007.

2. FINANCE AND INCOME EXPENSE

	2007 £000	2006 £000
Interest income	5,050	2,941
Interest payable on bank loans and overdrafts	15,828	16,358
Interest on deferred term land payables	4,749	2,680
Interest element of movement in pension scheme deficit	85	305
Other interest expense	399	96
Preference dividends	1,900	1,900
Finance expenses	22,961	21,339

3. TAXATION

Taxation has been calculated at an effective rate of 29.0% of profit before tax (2006: 29.5%).

4. DIVIDENDS ON EQUITY SHARES

	2007 £000	2006 £000
Amounts recognised as distributions to equity holders in the year :		
Final dividend for the year ended 31 July 2006 of 20.2p per share (2005 : 18.25p)	23,103	20,657
Interim dividend for the year ended 31 July 2007 of 16.45p per share (2006 : 14.3p)	18,813	16,232
	41,916	36,889
Proposed final dividend for the year ended 31 July 2007 of 26.675p per share (2006 – 20.2p)	30,810	23,028

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on Friday 11 January 2008 and in accordance with IAS 10, has not been included as a liability in these financial statements.

5. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing earnings by the weighted average number of ordinary shares in issue during the year (excluding the weighted average number of ordinary shares held by the employee share ownership plans which are treated as cancelled).

Diluted earnings per ordinary share uses the same earnings figure as the basic calculation except that the weighted average number of shares has been adjusted to reflect the dilutive effect of outstanding share options allocated under employee share schemes where the market value exceeds the option price. It is assumed that all dilutive potential ordinary shares are converted at the beginning of the accounting period. Diluted earnings per ordinary share is calculated by dividing earnings by the diluted weighted average number of ordinary shares.

Reconciliations of the earnings and weighted average number of shares used in the calculations are outlined below:

	Earnings	Weighted average number of ordinary shares	Earnings	Weighted average number of ordinary shares
	2007	2007	2006	2006
	£000		£000	
For basic earnings per ordinary share	166,714	114,108,350	155,742	113,248,814
Options and awards	-	1,140,376	-	1,121,473
For diluted earnings per ordinary share	166,714	115,248,726	155,742	114,370,287

6. ANALYSIS OF NET DEBT

At 1 August	Cash	At 31 July
2006	flows	2007
£000	£000	£000

Cash and cash equivalents	2,329	23,052	25,381
Bank overdrafts	(15,024)	(28,530)	(43,554)
Net cash and cash equivalents	(12,695)	(5,478)	(18,173)
Bank loans	(141,000)	67,000	(74,000)
Preference shares redeemable after more than one year	(20,000)	-	(20,000)
Net debt	(173,695)	61,522	(112,173)

7. RECONCILIATION OF MOVEMENTS IN CAPITAL AND RESERVES

	Attributable to equity holders of the parent						Minority interest	Total equity
	Ordinary share capital	Share premium	Other reserves	Retained earnings	Total			
	£000	£000	£000	£000	£000	£000		
At 1 August 2005	14,154	108,886	1,492	655,362	779,894	(66)	779,828	
Total recognised income and expense	-	-	-	154,200	154,200	-	154,200	
Dividends on equity shares	-	-	-	(36,889)	(36,889)	-	(36,889)	
Shares issued	98	3,017	-	-	3,115	-	3,115	
Charge in relation to share options and tax thereon	-	-	-	3,649	3,649	-	3,649	
Exercise of share options / share awards	-	-	-	(403)	(403)	-	(403)	
At 31 July 2006	14,252	111,903	1,492	775,919	903,566	(66)	903,500	
Total recognised income and expense	-	-	-	170,507	170,507	-	170,507	
Dividends on equity shares	-	-	-	(41,916)	(41,916)	-	(41,916)	
Shares issued	85	3,581	-	-	3,666	-	3,666	
Charge in relation to share options and tax thereon	-	-	-	2,488	2,488	-	2,488	
Exercise of share options / share awards	-	-	-	(2,431)	(2,431)	-	(2,431)	
At 31 July 2007	14,337	115,484	1,492	904,567	1,035,880	(66)	1,035,814	

Within retained earnings are amounts relating to ordinary shares held by the employee share ownership plans. The number of shares held within these plans at 31 July 2007 was 337,089 (2006: 441,439) which are held within the financial statements at a value of £3,239,000 (2006: £2,173,000).

8. STATUTORY ACCOUNTS

The financial information set out above does not constitute statutory accounts for the year ended 31 July 2007 nor 2006. The statutory accounts for the year ended 31 July 2007 will be filed with the Registrar of Companies following the Company's Annual General Meeting.

The financial information for the year ended 31 July 2006 is derived from the statutory accounts for that year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The Report of the Auditors was unqualified and did not contain statements under Section 237 (2) or (3) of the Companies Act 1985.

